

Proposal for Bureau of Reclamation-Changes to 05/20/03 draft Contract

Anderson-Cottonwood Irrigation District

1. The total water diversion on Exhibit "A" is changed to 130,000 acre-feet. This is the quantity the Needs Study shows was necessary and used in 2002. Plus an amount equal to any long-term water transfers completed before signing of this contract.

2. ACID will be compensated annually at "50 percent of the sum of the storage operations and maintenance rate and the storage capital rate component of the Project rate setting policy". Per acre-foot for total water reduction from the current contract Total of 175,000.

Example $175,000 - 130,000 = 45,000 \times \$11.00 = \$495,000$.

These revenues to be used exclusively by ACID for system improvements to
Increase system efficiency

... Or...

Art. 5 be amended to provide the critical year reduction be based on a schedule
Of monthly quantities that total 152,500 acre feet (half of the difference
175,000 and 130,000).

3. Article 3. c 1 Delete

4. Article 3. c 2 ii Delete

5. Article 5 a Change "each monthly quantity" to "contract total quantity"

June 16, 2003